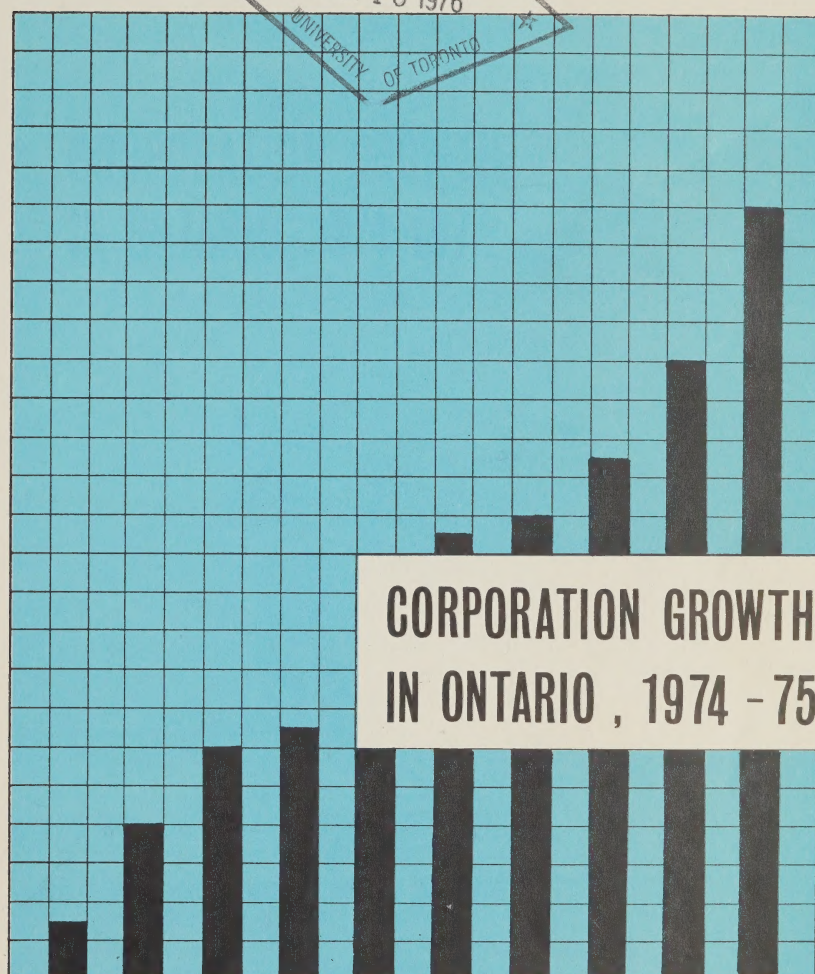
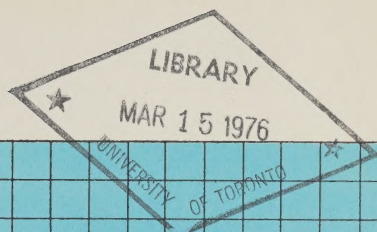


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MINISTRY OF TREASURY, ECONOMICS
AND INTERGOVERNMENTAL AFFAIRS

CORPORATION GROWTH IN ONTARIO, 1974-1975

MINISTRY OF TREASURY, ECONOMICS
AND INTERGOVERNMENTAL AFFAIRS

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SYMBOLS USED IN REPORT

- Nil or zero
- Amount too small to be expressed
- ... Not applicable

PREFACE

This is the sixth statistical report on corporations in Ontario published by the Ontario Statistical Centre, and is the result of a joint effort of the Centre and the Companies Division of the Ministry of Consumer and Commercial Relations.

We are deeply indebted to the Ministry of Consumer and Commercial Relations for their co-operation and participation in this project. Special thanks are due to Mr. B. C. Howard, Executive Director, Companies Division, Mr. H. H. Ozolins, Director, Companies Services Branch, and other members of the Companies Division. Only through their unreserved co-operation was the preparation of this report possible.

This report was prepared by the Surveys and Statistical Standards Section of the Ontario Statistical Centre, Ministry of Treasury, Economics and Intergovernmental Affairs.

Ontario Statistical Centre
Central Statistical Services

November, 1975

INTRODUCTION

This report provides information on the growth of corporations in Ontario, their composition by type and by year, formation of new corporations, and incorporations by jurisdiction. Incorporation by jurisdiction is not synonymous with domestic or foreign ownership. Statistics on the growth of corporations were compiled from the administrative records of the Companies Division, Ministry of Consumer and Commercial Relations.

Data on corporations were prepared as of March 31st, the end of a fiscal year. In the previous issues of this publication, corporations statistics were compiled as of October 31st of each year. Data for the fiscal year ending March 31, 1972, were introduced in the 1971 report.

DEFINITIONS

A corporation is created by filing articles of incorporation; by filing a memorandum of association; or by issuing letters patent of incorporation. The incorporating instrument - articles, memorandum or letters patent, depending upon the particular provincial or federal statute - sets forth the objects of the corporation, and certain provisions for the regulation and conduct of its affairs, and in the case of a corporation with share capital, the amount of capital it is authorized to issue.

There are several types of corporations. The main distinction is between corporations with or without share capital.

In this report, the following definitions will apply:

COMPANY: An Ontario corporation with share capital, other than those listed below.

CORPORATION: A corporation with or without share capital, but in Tables 2, 4 and 5 "corporation" means an Ontario corporation without share capital, other than those listed below.

CREDIT UNION: An Ontario corporation incorporated under The Credit Unions Act.

INSURANCE COMPANY: An Ontario corporation incorporated for the purpose of underwriting insurance of any type under The Insurance Act. Insurance Agents, Brokers or Adjusters are excluded.

MINING COMPANY: An Ontario corporation subject to Part IV of The Corporations Act or the predecessor thereof (Part XI of The Companies Act).

SOCIAL CLUB COMPANY: An Ontario corporation with share capital, having social objects.

SOCIAL CLUB CORPORATION: An Ontario corporation without share capital, having social objects. Service clubs are excluded.

CO-OPERATIVE WITHOUT SHARE CAPITAL: An Ontario co-operative corporation without share capital.

CO-OPERATIVE WITH SHARE CAPITAL: An Ontario co-operative corporation with share capital.

COMPANY WITH AN EXTRA-PROVINCIAL LICENCE: A corporation incorporated outside the Province of Ontario which has an Ontario licence to carry on any of its business in Ontario. Excluded are Quebec and federally incorporated corporations which do not require extra-provincial licences.

CORPORATION HOLDING LICENCE IN MORTMAIN: A corporation with or without share capital, incorporated outside Ontario, which holds licence in Mortmain. Licence in Mortmain empowers a foreign corporation to hold land in Ontario. This includes federally incorporated corporations but excludes corporations incorporated in Quebec on a basis of the reciprocal agreement between the Provinces of Ontario and Quebec.

PRIVATE LOAN COMPANY: An Ontario private loan corporation with limited objects - with power to lend and invest money on mortgage of real estate or otherwise, subject to section 3 of The Corporations Act.

OTHERS: Composed mainly of unlicensed Federal and Quebec corporations with or without share capital, etc.

AMALGAMATION: An Ontario corporation formed from any two or more corporations which combined to operate as one corporation.

REVIVAL: An Ontario corporation reactivated after being dissolved for not filing its annual return under The Corporations Information Act.

STATISTICAL HIGHLIGHTS

The year 1974 was characterized by a substantial decline in the production of goods and services in the Canadian economy. The slowdown in the economy, which is expected to continue through 1975, has been compounded by inflation and the highest level of unemployment since 1961. The performance of the Ontario economy has been reflected in the deceleration of corporation growth in Ontario during the fiscal year 1974-75.

In this year there were 17,146 new corporations established in the Province, an increase of 964 corporations or 6.0% compared with an increase of 3,186 corporations or 24.5% in the previous year. Of the new corporations formed in this fiscal year, 16,657 corporations or 97.1% were incorporated in the Province. The total number of new corporations incorporated outside Ontario amounted to 489; of these, 250 obtained licences in mortmain and 239 obtained extra-provincial licences. Companies (corporations with share capital) comprised 91.7% of the new corporations that were incorporated in Ontario in the fiscal year 1974-75, nearly 2.5 percentage points less than the previous year. On the other hand, corporations without share capital constituted 7.0% of the total in the fiscal year 1974-75, compared with 4.6% the previous fiscal year. New corporations formed by amalgamation and revival accounted for 1.3% of the total new corporations formed in Ontario. (See Tables 1 and 2).

The number of corporations active in Ontario reached a total of 160,556 in the fiscal year 1974-75. This represented an increase of 15,067 or 10.4% over the previous year. Active corporations incorporated in Ontario increased by 11.1% compared to an increase of 9.2% in 1973-74, while corporations incorporated outside the Province increased by 3.5%, more than 2 percentage points less than in the previous year. The downward trend in the number of credit unions and mining companies continued, although the decrease in the number of credit unions was caused mainly by amalgamations. Corporations without share capital which accounted for 4.7% of all active corporations increased by 11.0%. A considerable increase was registered by co-operatives without share capital, which rose by 32.4% while social club corporations increased by 3.8%. (See Tables 3, 4 and 5).

Tables 6 and 7 show that in 1974-75, 90.6% of the total number of Ontario corporations by jurisdiction (those required to file annual returns under the Corporations Information Act) were incorporated in the Province. Of the 9.4% which were incorporated outside the Province, 7.2% had federal licences, 1.3% were incorporated in other provinces and 0.9% outside Canada. Corporations which were in operation in the Province were incorporated under 81 jurisdictions, compared with 78 in the previous year. In the fiscal year 1974-75, corporations incorporated in New Hampshire, India and Norway were established for the first time in Ontario. The Ontario incorporated corporations had the biggest gain in absolute number and the largest percentage increase, followed by corporations incorporated in Alberta, Quebec and Saskatchewan. For corporations incorporated outside Canada, the largest increase in terms of absolute numbers was recorded by corporations under

New York, Pennsylvania, Illinois and Massachussetts jurisdictions. In 1974-75 the number of active corporations in Ontario which were incorporated in the United States increased by 189 or 19.9%. Corporations incorporated in Great Britain increased their number in Ontario by 41. The leaders of other jurisdictions include Switzerland, West Germany and Liechtenstein.

TABLE 1
NEW CORPORATIONS, ONTARIO, 1951-1975

YEAR	CORPORATIONS INCORPORATED IN ONTARIO		CORPORATIONS INCORPORATED OUTSIDE ONTARIO				TOTAL	
			CORPORATIONS HOLDING LICENCE IN MORTMAIN		COMPANIES WITH AN EXTRA-PROVINCIAL LICENCE			
	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE
		<u>%</u>		<u>%</u>		<u>%</u>		<u>%</u>
1951	1,779		146		62		1,987	
1952	1,772	- 0.4	164	12.3	69	11.3	2,005	0.9
1953	2,113	19.2	149	- 9.1	99	43.5	2,361	17.8
1954	3,613	71.0	181	21.5	86	-13.1	3,880	64.3
1955	3,811	5.5	249	37.6	110	27.9	4,170	7.5
1956	4,788	25.6	222	-10.8	149	35.5	5,159	23.7
1957	5,219	9.0	232	4.5	128	-14.1	5,579	8.1
1958	4,368	-16.3	203	-12.5	137	7.0	4,708	-15.6
1959	5,916	35.4	175	-13.8	150	9.5	6,241	32.6
1960	6,417	8.5	238	36.0	160	6.7	6,815	9.2
1961	5,736	-10.6	198	-16.8	166	3.8	6,100	-10.5
1962	6,019	4.9	206	4.0	141	-15.1	6,366	4.4
1963	5,903	- 1.9	199	- 3.4	171	21.3	6,273	- 1.5
1964	6,229	5.5	204	2.5	172	0.6	6,605	5.3
1965	7,276	16.8	223	9.3	177	2.9	7,676	16.2
1966	7,309	0.5	244	9.4	193	9.0	7,746	0.9
1967	7,425	1.6	217	-11.1	173	-10.4	7,815	0.9
1968	7,699	3.7	202	- 6.9	185	6.9	8,086	3.5
1969	9,593	24.6	249	23.3	212	14.6	10,054	24.3
1970	8,091	-15.7	290	16.5	273	28.8	8,654	-13.9
1971	9,152	13.1	212	-26.9	266	- 2.6	9,630	11.3
1971-72*	11,030	...	231	...	263	...	11,524	...
1972-73*	12,489	13.2	222	- 3.9	285	8.4	12,996	12.8
1973-74*	15,634	25.2	280	26.1	268	- 6.0	16,182	24.5
1974-75*	16,657	6.5	250	-10.7	239	-10.8	17,146	6.0

Note: Figures for corporations which are not required to hold licence in Ontario are not included.

* Fiscal year ending March 31.

TABLE 2
NEW CORPORATIONS INCORPORATED IN ONTARIO, FISCAL YEARS 1973-74 AND 1974-75

TYPE	1973-74		1974-75		
	NUMBER	PER CENT DISTRIBUTION	NUMBER	PER CENT DISTRIBUTION	PER CENT CHANGE ⁽²⁾
INCORPORATIONS		<u>%</u>		<u>%</u>	<u>%</u>
Corporations ⁽¹⁾	724	4.6	1,167	7.0	61.2
Companies	14,707	94.1	15,276	91.7	3.9
AMALGAMATIONS	89	0.6	85	0.5	- 4.5
REVIVALS	114	0.7	129	0.8	13.2
TOTAL	15,634	100.0	16,657	100.0	6.5

(1) Without share capital.

(2) Per cent change from previous year.

TABLE 3
PER CENT CHANGE IN THE NUMBER OF ACTIVE
CORPORATIONS BY YEAR, ONTARIO, 1956-75

YEAR	NUMBER	PER CENT CHANGE
	<u>000's</u>	<u>%</u>
1956	38	
1957	43	13.2
1958	47	9.3
1959	53	12.8
1960	59	11.3
1961	63	6.8
1962	67	6.3
1963	72	7.5
1964	76	5.6
1965	81	6.6
1966	87	7.4
1967	93	6.9
1968	98	5.4
1969	105	7.1
1970	113	7.6
1971	119	5.3
1971-72*	124.0	...
1972-73*	133.7	7.8
1973-74*	145.5	8.8
1974-75*	160.6	10.4

* Fiscal year ending March 31.

GROWTH OF CORPORATIONS IN ONTARIO, 1956-1975

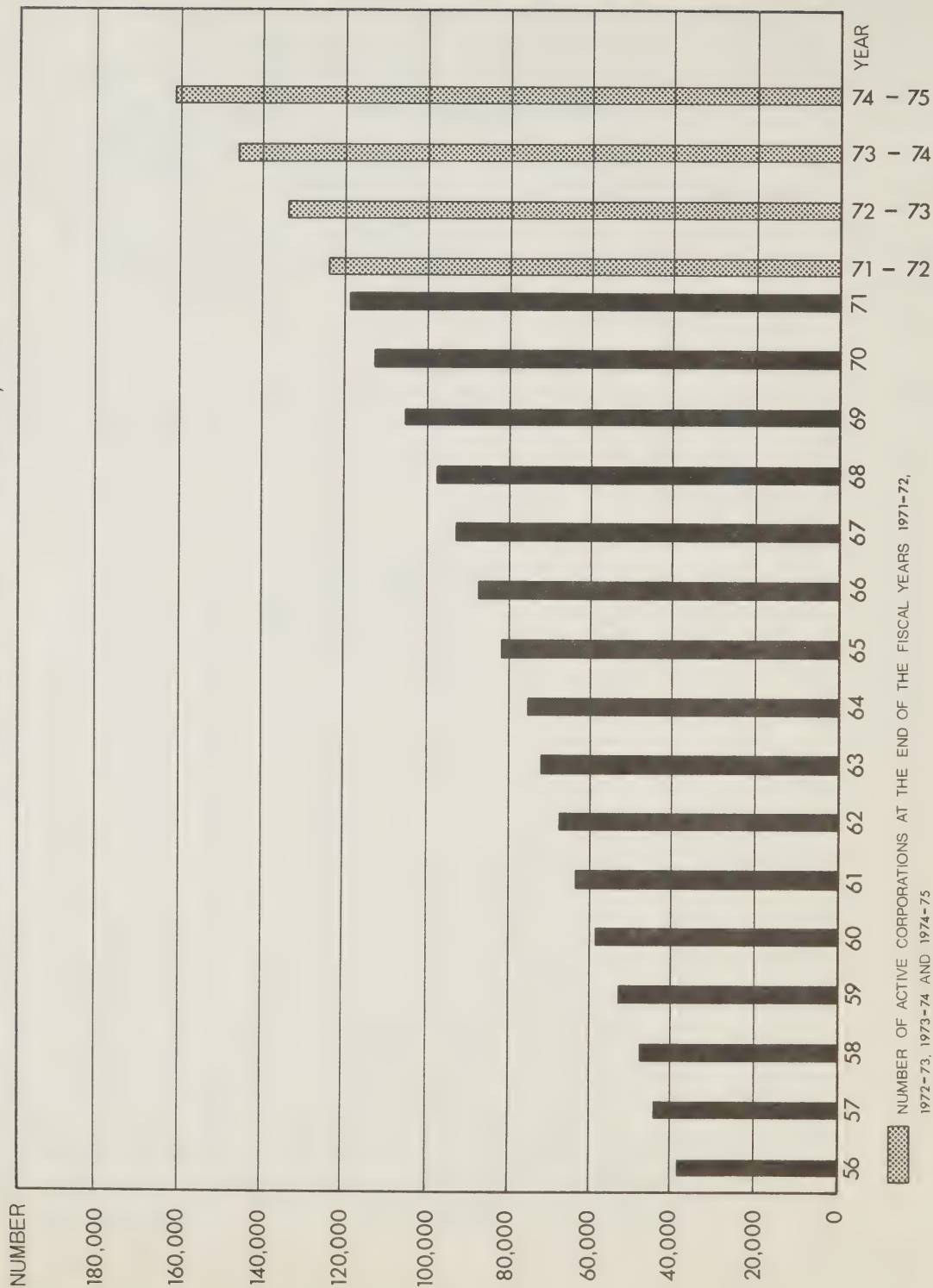


TABLE 4

PER CENT DISTRIBUTION OF ACTIVE CORPORATIONS BY TYPE, ONTARIO, FISCAL YEARS 1973-74 AND 1974-75

TYPE	1973-74		1974-75	
	NUMBER	PER CENT DISTRIBUTION %	NUMBER	PER CENT DISTRIBUTION %
<u>Incorporated in Ontario</u>				
Companies (1)	117,937	81.0	131,655	82.0
Credit Unions	6,768	4.7	7,510	4.7
Insurance Companies	1,399	1.0	1,373	0.9
Mining Companies	168	0.1	169	0.1
Social Club Companies	1,198	0.8	1,162	0.7
Social Club Corporations	287	0.2	287	0.2
Co-Operatives without Share Capital	2,273	1.6	2,360	1.5
Co-Operatives with Share Capital	179	0.1	237	0.1
Private Loan Companies	128	0.1	128	0.1
	504	0.3	519	0.3
TOTAL	<u>130,841</u>	89.9	<u>145,400</u>	90.6
<u>Incorporated outside Ontario</u>				
Companies with an Extra-Provincial Licence	2,032	1.4	2,057	1.3
Corporations holding Licence in Mortmain	3,023	2.1	3,079	1.9
Others	9,593	6.6	10,020	6.2
TOTAL	<u>14,648</u>	10.1	<u>15,156</u>	9.4
GRAND TOTAL	<u>145,489</u>	100.0	<u>160,556</u>	100.0

(1) Without share capital

TABLE 5

PER CENT CHANGE IN THE NUMBER OF ACTIVE CORPORATIONS BY TYPE, ONTARIO, FISCAL YEARS 1973-74 AND 1974-75

	1973-74	1974-75	
	NUMBER	NUMBER	PER CENT CHANGE ⁽¹⁾ %
<u>Incorporated in Ontario</u>			
Companies (2)	117,937	131,655	11.6
Corporations	6,768	7,510	11.0
Credit Unions	1,399	1,373	- 1.9
Insurance Companies	168	169	0.6
Mining Companies	1,198	1,162	- 3.0
Social Club Corporations	287	287	-
Social Club Corporations	2,273	2,360	3.8
Co-Operatives without			
Share Capital	179	237	32.4
Co-Operatives with			
Share Capital	128	128	-
Private Loan Companies	504	519	3.0
TOTAL	<u>130,841</u>	<u>145,400</u>	11.1
<u>Incorporated outside Ontario</u>			
Companies with an Extra- Provincial Licence	2,032	2,057	1.2
Corporations holding Licence in Mortmain	3,023	3,079	1.9
Others	9,593	10,020	4.5
TOTAL	<u>14,648</u>	<u>15,156</u>	3.5
GRAND TOTAL	<u>145,489</u>	<u>160,556</u>	10.4

(1) Per cent change from previous year.

(2) Without share capital.

TABLE 6

ACTIVE CORPORATIONS⁽¹⁾ BY JURISDICTION UNDER WHICH INCORPORATED
PER CENT DISTRIBUTION AND PER CENT CHANGE, ONTARIO, FISCAL YEARS 1973-74 AND 1974-75

	1973-74		1974-75		PER CENT CHANGE ⁽²⁾
	NUMBER	PER CENT DISTRIBUTION %	NUMBER	PER CENT DISTRIBUTION %	
Canada (federally incorporated)	10,898	7.7	11,487	7.2	5.4
Ontario	129,173	90.1	144,930	90.6	12.2
Quebec	890	0.6	940	0.6	5.6
British Columbia	417	0.3	427	0.3	2.4
Alberta	341	0.2	371	0.2	8.8
Manitoba	323	0.2	333	0.2	3.1
Saskatchewan	48	--	52	--	8.3
California	54	--	68	--	25.9
Delaware	254	0.2	260	0.2	2.4
Illinois	58	--	75	--	29.3
Michigan	70	0.1	81	0.1	15.7
New York	155	0.1	189	0.1	21.9
Ohio	79	0.1	74	--	- 6.3
Pennsylvania	32	--	50	--	56.3
Great Britain	64	--	105	0.1	64.1
Others	469	0.4	586	0.4	24.9
TOTAL	143,325	100.0	160,028	100.0	11.7

(1) Only jurisdictions with more than 45 corporations are listed. (2) Per cent from previous year.

TABLE 7

NUMBER OF ACTIVE CORPORATIONS⁽¹⁾ BY JURISDICTION UNDER
WHICH INCORPORATED, ONTARIO, FISCAL YEARS 1973-74 AND 1974-75

JURISDICTION	1973-74	1974-75
Canada (federally incorporated)	10,898	11,487
Alberta	341	371
British Columbia	417	427
Manitoba	323	333
Newfoundland	9	10
New Brunswick	37	40
Nova Scotia	41	42
Ontario	129,173	144,930
Prince Edward Island	5	8
Quebec	890	940
Saskatchewan	48	52
CANADA TOTAL	<u>142,182</u>	<u>158,640</u>
U.S.A. (federally incorporated)	3	4
Alabama	1	3
Arizona	2	2
Arkansas	2	2
California	54	68
Colorado	4	5
Connecticut	8	20
Delaware	254	260
District of Columbia	3	4
Florida	14	13
Georgia	3	4
Illinois	58	75
Indiana	16	21
Iowa	14	16
Kansas	3	3
Kentucky	5	5
Louisiana	1	1
Maine	6	8
Maryland	10	11
Massachusetts	15	32
Michigan	70	81
Minnesota	27	40
Missouri	13	18

TABLE 7 - continued - NUMBER OF ACTIVE CORPORATIONS⁽¹⁾ BY JURISDICTION UNDER
WHICH INCORPORATED, ONTARIO, FISCAL YEARS 1972-73 AND 1974-75

JURISDICTION	1973-74	1974-75
Nebraska	2	4
Nevada	11	13
New Hampshire	-	2
New Jersey	26	31
New York	155	189
North Carolina	2	2
North Dakota	2	2
Ohio	79	74
Oklahoma	2	2
Oregon	1	1
Pennsylvania	32	50
Rhode Island	1	5
Tennessee	3	4
Texas	20	21
Vermont	1	1
Virginia	2	5
Washington	6	11
West Virginia	2	2
Wisconsin	19	26
UNITED STATES TOTAL	<u>952</u>	<u>1,141</u>
Bahama Islands	31	28
Belgium	1	1
Bermuda	8	4
Brazil	1	1
British Virgin Islands	1	1
Denmark	1	2
France	2	4
Great Britain	64	105
Hong Kong	3	4
India	-	1
Ireland	1	2
Italy	2	2
Jamaica	1	1
Japan	3	4
Liberia	2	1

TABLE 7 - continued - NUMBER OF ACTIVE CORPORATIONS⁽¹⁾ BY JURISDICTION UNDER WHICH INCORPORATED, ONTARIO, FISCAL YEARS 1973-74 AND 1974-75

JURISDICTION	1973-74	1974-75
Liechtenstein	9	13
Mexico	1	1
Netherlands	5	7
New South Wales	1	1
New Zealand	1	2
Norway	-	1
Panama	11	9
Portugal	1	1
South Korea	1	1
Spain	1	1
Sweden	3	4
Switzerland	11	16
West Germany	25	29
OTHERS TOTAL	<u>191</u>	<u>247</u>
GRAND TOTAL	<u>143,325</u>	<u>160,028</u>

(1) Corporations which are required to submit annual returns under The Corporations Information Act. Corporations which are exempt from filing a return under Section 3 of the Act are excluded.

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